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HONG KONG AND SINGAPORE - A TALE OF TWO CITIES

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One advantage of an honorary doctorate is that one does not have to demonstrate scholastic discipline or merit. However, an outspoken member of the British royal family, who has received many such doctorates, pointed out one disadvantage. When receiving a degree recently from a Canadian university, Prince Philip lamented the fact that it did not qualify him for a better job.

I wonder what subject I would have chosen were I required to earn a doctorate. In what field can I claim some experience and knowledge? What is a subject on which my ignorance is likely to remain blissfully unchallenged? A possible title could be: “Hong Kong and Singapore - a Tale of Two Cities”.

Both started as British island-colonies, founded over a hundred years ago, for the pursuit of trade with the East Indies and China. Features which were

common to all British colonies have left their imprints on both territories, equality before the law, effective and honest administration. Both went through three and a half years of Japanese occupation. Both have large ethnic Chinese populations, mainly from South China. Both have had successive inflows of refugees. Both are urbanised centres with high densities of population. Originally based on entrepot trade, both now have manufacturing as the main growth sectors of their economy. Both have high growth rates, with the highest per capita GNP in Asia, outside Japan.

After the Second World War, many countries became independent. There were great expectations of social, educational and industrial progress in these countries. This was particularly so for the large countries. Their natural and human resources appeared so abundant as to make progress and prosperity seem a natural result when independence brought an end to colonial exploitation. At that time, the unpromising places for industrialising and modernising seemed to be Hong Kong and Singapore. Today, it is recognised that some undetected influences were at work. Some factors have prevented the successful transformation of the large countries into modern industrial nations. This is all the sadder and perplexing when one recalls their ancient history, and the great civilisations they had nurtured in the past. ECAFE, the IMF and the World Bank make annual reports on the economic performance or of these new countries.

The "Development Decade" of the 60's has not lived up to its name. Only Japan has entered the technological league. Amongst those that have shown the most progress are: Hong Kong, Singapore, Taiwan, South Korea, Malaysia and Thailand[1].

Western social scientists who travel the region have tried to fathom the reasons for these variations in performance. What has made for these different responses to the challenge of modernisation? Is it because some societies are the products of a harsher attrition with nature, resulting in human types with more intense cultures which have enabled them to be more easily geared to industrial techniques and disciplines? Could it be that some religions inculcate a tougher spirit in their disciples and a willingness to strive and slog against the unfavourable dispensation of providence?

It is more than probable that ethnic and cultural factors do affect the group performance of various communities. But if it is all due to ethnic factors, then the outlook for a narrowing of the performance gap between the different ethnic groups is bleak. I do not take such a pessimistic view. By the nature of my work, I am inclined to be more optimistic of what is possible with a change in values and in cultural patterns, with improved diet and health conditions, with

[1] Table in annex.

better education and training. It takes some time, perhaps decades or generations, for peasants to learn commercial and industrial habits. However, if a people have had to break with their past, they will also have shaken off the debris of past beliefs, habits and inhibitions. Then in a new environment, they can more easily adopt attitudes and values which enable speedier acquisition of industrial-technological knowledge, skills and techniques.

If it were only ethnic factors which have made for faster progress in these countries, why is it, between similar ethnic types, economic growth and per capita incomes in Hong Kong and Singapore are better than in Taiwan, although Taiwan has greater natural resources?

One reason was that Hong Kong and Singapore had made a head start over Taiwan. Both in Hong Kong and Singapore, the British started new communities from scratch. The Japanese took over an established province of China. Next, Hong Kong and Singapore have always been more exposed to western influences than Taiwan. Exposure to new ideas and methods may be unpleasant and unsettling, but it forces the pace of change. Further, the Japanese took over Taiwan some 60 to 80 years after the British founded Hong Kong and Singapore. Japan herself was then engaged in the difficult task of her own industrialisation. And she was developing Taiwan as an agricultural, not an industrial economy.

Even so, 50 years of Japanese influence has helped Taiwan's subsequent industrial development when the mainlanders went over to Taiwan after 1949. With this influx of entrepreneurial and managerial expertise, Taiwan received a booster for her industrialisation.

All governments today accept the fact that in order to develop into a mass-consumption technological society, universal education is a pre-condition. Mass education enables easy training, and simplicity of communications for accurate instructions to be passed on. But the Chinese script, with ideographs in place of phonetic alphabets, is one of the most difficult in the world. It was developed for a scholarly elite, designed to leave ordinary people illiterate and in awe of the mandarins. So since 1911 China has been simplifying the language. A script which is mysterious and difficult to the masses of the people does not go with a technological society. In more recent times, Chinese characters have been abbreviated and simplified, and the written style now reads like the spoken form.

However, over a century ago, through the introduction of the English language, the Chinese in Hong Kong and Singapore have had their ideographic blinkers removed.

Next, learning by rote, for about 2000 years, was a system calculated to maintain stability and discourage innovation. Chinese imperial dynasties tried to

head off revolutionary pressures by the systematic induction of all the best brains into the doctrines of obedience and conformity, as scholars competed in the imperial examinations for entry into the mandarinate. However, the price for stability was the exclusion of Imperial China from the great scientific and technological discoveries of the West, and the industrial revolution. On the other hand, when you have left the ancestral home and are no longer governed by the mandarins trained in the Analects, but by British administrators trained on General Orders which enjoin them to hold the ring fairly and honestly for all who live under their dispensation, it is that much easier to break out of the barren confines of the past.

Of all the leavening influences at work, the one most likely to leave the most lasting impact on the future is education. The imparting, not only of knowledge, but more important, of the spirit of curiosity and inquiry is what makes for innovation and enables science-based industries to grow. For the mass-consumption society of abundance, there must be ample numbers of competent engineers. They must be supported by large armies of technicians. Then production and marketing must be efficiently conducted by men trained in business management. This can come only with the education of the total population, from which a meritocracy can emerge.

Vocational schools, technical training centres, polytechnics and Institutes of Technology, to raise standards of competence and skills, are one of the most important institutions for economic growth.

The educational systems of Hong Kong and Singapore have changed in response to these new demands for economic progress. In the early days, education in the English language schools was for a small group, in order that they could be useful aids in the administration and the agency houses. Today, both in Hong Kong and Singapore no one is without primary schooling. Higher education started in both Hong Kong and Singapore with medical colleges. Now both have English language universities. But Hong Kong, founded more than 20 years after Singapore, had a university established more than 30 years before the one in Singapore. Both also have Chinese language universities. But strangely, despite Hong Kong's proximity to China, the Singapore Chinese language university, with a Hong Kong University graduate now as Vice-Chancellor, was established a decade before the Chinese university in Hong Kong.

If I have to fault the education policy of the British Colonial system, liberal and progressive in many respects, it is that insufficient attention was paid to the teaching of the applied sciences, and the training of technicians. The pre-

occupation was with the arts, medicine and the law. But it is in science and technology that the future lies.

It is only in recent years that the University of Singapore established courses in engineering. And Singapore owes a debt to Hong Kong for having trained so many of her engineers, amongst whom is her present Director of the Public Works Department.

Against the prevailing drift to gross overcrowding of universities in the new countries with ever lowering pass levels, I was cheered to find that University of Hong Kong has under 3,000 students, and the University of Singapore 4,500. Perhaps we both share a common determination to maintain academic standards. But this virtue carries another problem, the brain drain.

The maintenance of academic standards accepted by the institutions of the developed and wealthy English-speaking countries means that the best graduates not only go overseas for post-graduate work, but are also tempted to stay permanently abroad by higher rewards. This creates difficulties for an elected government in Singapore. It is difficult to explain to an electorate that wages of unskilled and even skilled workers must remain considerably lower than those obtainable in the developed countries. They cannot cross national boundaries to

sell their skills in these richer markets. But the technologically or professionally trained scientist, executives, or professional, can cross these barriers. So his rewards have got to be comparable to what he could get overseas or he will emigrate.

One of the reasons for Japan's spectacular growth and transformation since the Meiji era began in 1868, is the fact that there was never a brains drain. Japanese language, culture, and patriotism kept scientists and engineers working within their own society. Not so with the English educated in the developing world. Lord Bowden, Principal, Manchester College of Science and Technology, has given an estimate of over 25,000 Ph.D. graduates in the sciences from the developing English-speaking parts of South Asia, principally India and Pakistan, who are now serving wealthy developed European and North American communities. Lord Bowden has estimated that it costs more than £20,000 to train one Ph.D. in the sciences, and his contribution to society in his lifetime is £250,000. If we are to continue our progress towards higher standards of life through more sophisticated manufacture, Hong Kong and Singapore must find adequate counters to the attractions of richer rewards in the advanced countries. I believe successful counters can be found. For, monetary rewards alone cannot give that sense of fulfillment, which comes to those in positions of command. Comparable standards of life, plus the satisfaction of achievement, can relieve

what could otherwise become unbearable strains on one's loyalty to one's community.

The Japanese have been the one non-European nation that successfully propelled themselves into the industrial age. They succeeded in injecting science and industry into their way of life, whist retaining their culture and way of life. Modern Japan is a reflection of this marrying of the old and the new. Hong Kong and Singapore, both with Chinese and English language universities, have the opportunities of preserving some of the best of the old, whilst acquiring the necessary techniques and styles of the new. I hope Singapore, with the Malay and Indian contributions to her heritage, set in Southeast Asia, can result in an attractive blend of the East and the West.

The short-term future holds promise of further progress for both Hong Kong and Singapore. If the rate of progress of the last ten years is extrapolated into the next five years, Hong Kong's progress will be faster than that of Singapore. In 1963, per capita income per annum in Hong Kong was barely more than half Singapore's. By last year, 1969, the estimates are that Hong Kong has already surpassed Singapore's per capita annual income of S$2,437[2].

[2] Investing, Licensing and Trading Conditions Abroad - Hong Kong, November, 1968, prepared and published by Business International Corporation.

The middle-term future, around the year 2000, is more difficult to predict. But beyond that, into the long-term future, the peoples of Hong Kong and Singapore may have significant, even exciting, roles to play. As pioneers in modernisation of their regions, Hong Kong and Singapore can act as catalysts to accelerate the transforming of traditional agricultural societies around them. These two most improbable and unlikely of places could deserve a mention in the history of human progress as centres which helped spread new styles of working and living, which are part and parcel of the urbanised industrial technological society.

By design, Hong Kong and Singapore were chosen as trading beach-heads to a vaster hinterland. They performed valuable roles as re-distribution points for the manufactured goods of the West. By the accident of subsequent developments, they may become dissemination points, not simply of the sophisticated manufacture of the developed world, but more vital, of social values and disciplines, of skills and expertise.

My conjecture is that one day some research student will explain all this more lucidly and in scholarly language. But then conjectures do not earn

degrees. Therefore, need I say how relieved I am that I have been conferred a doctorate without having to earn it.

GNP and GNP Per Capita of Selected Countries (At Current Prices)

		1960	1967	1968
Japan				
GNP at market prices	US $ mil.	43,053	119,553	141,922
GNP Per Capita	US $	462	1,197	1,405
Singapore				
GNP at market prices	US $ mil.	717	1,270	1,492
GNP Per Capita	US $	438	649	751
Hong Kong				
GNP at factor cost	US $ mil.	996	2,377	2,630 (estimates)*
GNP Per Capita	US $	324	620	680 (estimates)*
Malaysia				
GNP at market prices	US $ mil.	2,173	3,178	3,362
GNP Per Capita	US $	268	317	326
Taiwan				
GNP at market prices	US $ mil.	1,560	3,595	4,144
GNP Per Capita	US $	145	270	304
South Korea				
GNP at market prices	US $ mil.	1,898	4,612	5,815
GNP Per Capita	US $	77	154	191
Thailand				
GNP at market prices	US $ mil.	2,641	5,079	5,576 (estimates)**
GNP Per Capita	US $	97	148	165 (estimates)**

Sources:-

Hong Kong: The National Accounts of Less Developed Countries 1950-66, OECD. World Bank Atlas 1969, published by IBRD.
* London Financial Times on Hong Kong Review, January 12, 1970

Taiwan: Taiwan Statistical Data Book 1969

Korea: Economic Statistical Year Book 1969

Japan: Monthly Statistics of Japan, October 1969

Malaysia: Bank Negara Malaysia Quarterly Economic Bulletin, June 1969

Thailand: Bank of Thailand Monthly Report, January 1968 and September 1969
** IMF Article XIV Consultations, Thailand, 1969
IMF International Financial Statistics, October, 1969

Exchange Rates in converting the GNP in national currency to US Dollars:-

Singapore	-	$3.06 per US$	South Korea	-	Won 130 per US$ in 1960, and Won 270 in 1967 and 1968
Hong Kong	-	$5.77 per US$	Malaysia	-	$3.06 per US$
Taiwan	-	NT$40.10 per US$	Thailand	-	$20.80 Baht per US$
Japan	-	Yen 360 per US$			